

**BOARD OF FINANCE
TOWN OF EAST WINDSOR
11 RYE STREET
EAST WINDSOR, CONNECTICUT 06088**

MINUTES OF REGULAR MEETING

Wednesday, July 18, 2012 at 7:30 p.m.

These minutes are not official until approved at a subsequent meeting.

Members Present: Jason Bowsza, Joseph Pellegrini, Marie DeSousa, and
Kathleen Pippin
Members Absent: Danelle E. Godeck and Jerilyn Corso
Alternates Present: Paulette Broder and Sharon Tripp
Alternate Absent: None
Others: Catherine Cabral, Denise Menard, Richard Pippin, Dale Nelson,
James Richards, Cathy Simonelli, and Bill Schultz
Press: Larry Smith (Patch.com) and Cory Garfman (Journal Inquirer)

I. Call to Order

Chairman Jason Bowsza called the Regular Meeting to Order at 7:31 p.m., in the East Windsor Town Hall.

II. Appointment of Alternates

Chairman Jason Bowsza indicated that Ms. Jerilyn Corso and Ms. Danelle E. Godeck will not be attending this evening's meeting and a motion would be in order appointing the alternates as voting members.

It was **MOVED** (Pellegrini) and **SECONDED** (Pippin) and **PASSED** (U) that Ms. Sharon Tripp be appointed as voting member in place of Regular Member, Ms. Jerilyn Corso and Ms. Paulette Broder be appointed as voting member in place of Regular Member, Ms. Danelle E. Godeck.

III. Added Agenda Items

It was **MOVED** (Pellegrini) and **SECONDED** (DeSousa) and **PASSED** (U) that the Board of Finance adds an agenda item, Section X. Unfinished Business c. Housing Authority Payment Update.

It was **MOVED** (Pellegrini) and **SECONDED** (DeSousa) and **PASSED** (U) that the Board of Finance adds an agenda items, Section XI. New Business c. Board of Finance Representation for Contact Negotiations.

It was **MOVED** (Pellegrini) and **SECONDED** (DeSousa) and **PASSED** (U) that the Board of Finance adds an agenda items, Section XI. New Business d. Petty Cash Drawer for Tax Collector.

It was **MOVED** (Pellegrini) and **SECONDED** (Tripp) and **PASSED** (U) that the Board of Finance adopts the Agenda as amended.

IV. Approval of Minutes

a. Special Meeting of June 12, 2012

It was **MOVED** (Pellegrini) and **SECONDED** (Tripp) and **PASSED** (U) that the Board of Finance approves the minutes of June 12, 2012 Special Meeting, as presented.

b. Regular Meeting of June 20, 2012

An error was noted in the July 20, 2012 Regular Meeting Minutes. An amendment to the minutes in Section VIII. New Business, Subparagraph b, Paragraph 2 is noted. The following is the noted amendment:

“...which include Pay to Participate HS, **Play** to Participate MS, Parking...”

to

“...which include Pay to Participate HS, **Pay** to Participate MS, Parking...”

It was **MOVED** (Pellegrini) and **SECONDED** (Tripp) and **PASSED** (4-0)(M. DeSousa and P. Broder abstained) that the Board of Selectmen approves the minutes of June 20, 2012 Regular Meeting, as amended.

IV. Public Input

None.

V. Communications

Chairman Jason Bowsza indicated that he has received communication from CCM regarding the 30th Annual CCM Convention which will take place on October 23, 2012 from 8:00 a.m. to 5:30 p.m. If any Board Member would be interested in attending the convention, they could contact Mr. Bowsza. He reminded everyone the fee is waived because the Town of East Windsor is a member of CCM. He indicated it is a valuable tool for Board Members to attend.

VI. Monthly Reports**a. Treasurer's Report**

Ms. Catherine Cabral, Treasurer, addressed the Board of Finance. She gave to all the Board Members a memorandum dated July 18, 2012 for their review. Ms. Cabral indicated that as of July 11, 2012, the State Revenue received in June was \$14,889 due mainly to Mashantucket Pequot monies. She indicated that the local revenue increased by \$57,845 this month of which \$30,320.00 is from the Town Clerk fees and \$17,265 is from Building Permit fees. The total general cash position as of June 30, 2012 is \$5,317,381. Webster General Fund cash as of June 30, 2012 is \$1,473,204.

A brief discussion was held.

b. Tax Collector's Report

Ms. Cabral gave a copy of the Tax Collector's reports to the Board Members for their review; the reports were entitled "Town of East Windsor Report of Tax Collector Monthly Collectible" and "Cumulative Report of Cash". A brief discussion was held regarding the reports.

c. Assessor's Report

Ms. Cabral gave a copy of the Assessor's Report dated July 12, 2012. In that report, Ms. Madore discusses Grand List of October 1, 2011. Homeowners' (elderly and disabled) benefits were processed following the 3rd Referendum and establishment of mill rate – challenging times. Taxpayers pursue the processing of motor vehicle adjustments in order that their bills may be reduced or completely abated. Most have already been addressed; however, additional changes to the assessments must be accomplished with Certificates of Change through our system. Also addressed was the Grand List of October 1, 2012 and the exemptions. Applications continue to be processed for State and Local Additional Veterans, Blind and Disabled benefits/exemptions. In regards to personal property approximately 150 letters will be sent out to commercial property owners/landlords to locate new businesses and/or delete businesses which have moved out of Town or closed. This is one of the first steps taken to start to establish the list personal property accounts to receive the declaration packets. On April 30, 2012, approximately 750 letters were sent out to owners of properties which had not been inspected since 2002 revaluation. Since May 1, 2012, approximately 70 property owners have scheduled to have their properties reviewed for revaluation purposes, most of these appointments are a result of the letters sent. Field work and field reviews continue.

A brief discussion was held.

d. 2011-2012 Budget Added Appropriations/ Transfers

- **Selectmen**

It was **MOVED** (DeSousa) and **SECONDED** (Tripp) and **PASSED** (U) that the Board of Finance approves the transfer of \$1,200.00 to Selectmen/Travel Allowance Account No.: 1-01-10-1010-5-580-0000-0 from Town Property/Gas and Oils Account No.: 1-01-10-1085-6-620-0000-0, as presented, and recommend to a town meeting if necessary. (Also known as Transfer No. 44)

- **Capital Improvement Projects**

A brief discussion was held regarding the boiler project at the Town Hall.

It was **MOVED** (DeSousa) and **SECONDED** (Tripp) and **PASSED** (U) that the Board of Finance approves the transfer of \$43,797.10 to CNR-Town-TH Renovations Account No.: 1-08-55-1025-7-799-0662-0 from CIP Reserve/TH Boiler Account No.: 1-01-10-55-9447-7-799-7000-0 and recommend to a town meeting if necessary. (Also known as Transfer No. 45)

- **Police**

It was **MOVED** (DeSousa) and **SECONDED** (Tripp) that the Board of Finance approves the transfer of \$1,410.32 to CNR PD-Cruisers Account No.: 1-08-55-1025-7-799-0000-0 from CIP/Police Replacement Vehicle Account No.: 1-01-55-9445-7-799-0637-0 and recommend to a town meeting if necessary. (Also known as Transfer No. 46).

A discussion was held. It was questioned that the CIP account was used to purchase replacement vehicles for the police department and the extra monies should go to the general fund and not to CNR. Ms. Cabral indicated that the 2012-2013 budget police cruisers cost will be a little more due to the fact that the cruisers purchased are no longer the Ford Crown Victoria but a different vehicle which would require different accessories. The accessories used in the older vehicles will not be able to be used in the new cruisers. It was indicated that if it is an ongoing project the monies are transferred to CNR account and extra monies are placed in the general fund.

A vote was taken:

In Favor: None

Opposed: All

Motion fails.

- **Planning and Zoning**

Ms. Cabral explained the transfer indicating that the monies are going to be used for the updating of the GIS system.

It was **MOVED** (DeSousa) and **SECONDED** (Broder) and **PASSED** (3-1)(K. Pippin dissented) that the Board of Finance approves the transfer of \$12,305.00 to CNR-Town GIS System Account No.: 1-08-55-1025-7-799-0657-0000-0 from CIP Account No.: 1-01-55-9445-7-799-0736-0, as presented, and recommend to a town meeting if necessary. (Also known as Transfer No. 47)

- **Human Services**

Ms. Cabral indicated this expense was not anticipated. The transfer which is being requested is the \$1.00 differential when an employee is responsible for a substantial part of work of a position in a higher classification. It was asked if it was for a 40 hour week, and the answer was no it was only for 5 hours per week for an 8 week period.

It was **MOVED** (Tripp) and **SECONDED** (DeSousa) that the Board of Finance approves the transfer of \$400.00 to Human Services-Salary Account No.: 1-01-20-5235-1-100-0000-0 from Probate Court Account No.: 1-01-10-1055-8-802-0000-0, and recommend to a town meeting if necessary. (Also known as Transfer No. 48)

A discussion was held. It was asked if this due to the new contract. The answer was that the extra money was needed due to the fact that the supervisor of this department was taking sick time for half days. It was indicated that this \$1.00 per hour differential is in the clerical contact. This expense was not foreseeable. Ms. Pippin questioned what this transfer was coming from Probate Court and not a salary line. Ms. Cabral indicated extra money is in the Probate Court line due to the fact the Human Services budget does not have extra funds to cover such a transfer. Mr. Bowsza indicated the point was valid and transfers to a salary line should come from a salary line. Ms. Cabral indicated that at year end potential excess in the 27th payroll could be an option. Mr. Bowsza commented if the account from which the transfer is coming from, would this transfer have to be returned to the Board of Selectmen before going to Town Meeting. Ms. Cabral and Ms. Menard indicated there have been many times where transfers were approved by the Board of Selectmen and presented to the Board of Finance wherein the Board of Finance changes the account number. The discussion continued as to which account this transfer could come from and certain lines were discussed.

The motion which was previously called was amended by Ms. DeSousa and seconded by Ms. Tripp to read that the Board of Finance approves the transfer of \$400.00 to Human Services- Salary Account No.: 1-01-20-5235-1-100-0000-0 from Officers Salary Line Account No.: 1-01-15-2145-1-125-0000-0, and recommend to a Town Meeting, if necessary. (Also known as Transfer No. 48)

A discussion was held. Ms. Menard suggested that the officer salary account number should not be quoted due to the fact it has to be checked with the Deputy Chief of Police to insure that line has available funds. She suggested the motion to read “pending verification by the Police Chief”. Mr. Bowsza suggested holding off approving this transfer until the Treasurer’s Office can be certain of the line number. Ms. Menard indicated that salary line is overdrawn and has to be made whole. Ms. Cabral commented that there will be plenty of more transfers due to year end.

Ms. DeSousa amended her motion and Ms. Tripp seconded to read the Board of Finance approves the transfer of \$400.00 to Human Services-Salary Account No.: 1-01-20-5235-1-100-0000-0 from Officers Salary Line Account No.: 1-01-15-2145-1-125-0000-0, pending verification by the Chief of Police, and recommend to a Town Meeting if necessary. (Also known as Transfer No. 48)

A brief discussion was held.

It was **MOVED** (Pippin) and **SECONDED** (Pellegrini) and **PASSED** (U) that the Board of Finance postpone the approval of the Human Services transfer request known as No. 48 in the amount of \$400.00 until the next Regular Meeting in August.

- **Park and Recreation**

It was **MOVED** (Pellegrini) and **SECONDED** (Pippin) and **PASSED** (U) that the Board of Finance approves the transfer of \$1,720.00 to CNR/Park and Recreation-Parking Rails Account No.: 1-08-55-1025-7-799-0488-0 from Park and Recreation-Parking Rails Account No.: 1-01-55-9445-7-799-0586-0, as presented, and recommend to a town meeting if necessary. (Also known as Transfer No. 49)

- **Human Services**

It was **MOVED** (DeSousa) and **SECONDED** (Tripp) that the Board of Finance approves the transfer of \$782.00 to Office Supplies Account No.: 1-01-20-5235-6-610-0000-0 from Probate Court Account No.: 1-01-10-1055-8-802-0000-0 and recommend to a town meeting if necessary. (Also known as Transfer No. 50)

A discussion was held. It was asked how the department did not know it was going over so much in office supplies. It was explained that the toner for the printer which that department uses is very expensive. A copy of the invoice was given to the Board for their review. It was also mentioned that the office supplies line in that department has been cut for many years. Ms. Menard mentioned that currently she is in the process of entering a contract for new copiers/printers for all departments of the Town in order to cut down on costs of toner and/or copier ink.

A vote was taken. The Motion passed unanimously.

- **Public Works**

Ms. Cabral indicated that the transfer being requested is to complete drainage projects and to purchase a small dump truck. It was asked what drainage project. Ms. Menard gave an explanation of the project on Newberry Road to Route 5. The small dump truck is to replace an existing one.

It was **MOVED** (Pellegrini) and **SECONDED** (Tripp) and **PASSED** (U) that the Board of Finance approves the transfer of \$48,709.37 to P.W. – Drainage (CNR) Account No.: 1-08-55-1025-7-799-0483-0 from P.W. – Drainage (CIP) Account No.: 1-01-55-9445-7-799-0632-0, as presented, and the transfer of \$45,000.00 to P.W. – Truck (CNR) Account No.: 1-08-55-1025-7-799-0494-0 from Highway Replacement of Truck (CIP) Account No.: 1-01-55-9445-7-799-0375-0, as presented, and recommend to a town meeting if necessary (Also known as Transfer Nos. 51 and 52)

- **CNR/Park and Recreation**

It was **MOVED** (Tripp) and **SECONDED** (Broder) and **PASSED** (U) that the Board of Finance approves the transfer of \$1,772.73 to CNR-Unassigned Account No.: 1-08-55-1025-7-799-0658-0 from Park and Recreation-Site Account No.: 1-08-55-1028-7-799-0473-0; and the transfer of \$1,772.73 to Park and Recreation-Soccer Complex Account No.: 1-08-55-1025-7-799-0450-0 from CNR-Unassigned Account No.: 1-08-55-1025-7-799-0658-0; and transfer of \$18,827.27 to CNR-Unassigned Account No.: 1-08-55-1025-7-799-0658-0 from Parks and Recreation-Storage Account No.: 1-08-55-1025-7-799-0472-0; and transfer \$18,827.27 to Parks and Recreation-Soccer Complex Account No.: 1-08-55-1025-7-799-0450-0 from CNR-Unassigned Account No.: 1-08-55-1025-7-799-0658-0 as presented, and recommend to a town meeting if necessary. (Also known as Transfer Nos. 53, 54, 55, and 56)

A brief discussion was held.

- **Emergency Management**

Ms. Cabral indicated this transfer is to allocate remaining funds to the director stipend. She indicated the phone account which the transfer is coming from is a cell phone which has been discontinued.

It was **MOVED** (DeSousa) and **SECONDED** (Broder) and **PASSED** (U) that the Board of Finance approves the transfer of \$346.71 to Director Stipend Account No.: 1-01-15-2170-1-107-0000-0 from Phone Account No.: 1-01-15-2170-5-541-0000-0, as presented, and recommend to a town meeting if necessary. (Also known as Transfer No. 57)

- **Collection and Disposal**

Ms. Cabral indicated this is a transfer to cover costs for the fiscal year. It was asked what such an increase. It is believed the reason for the increase is due to the increased branches, brush and other storm debris due to the October storm.

It was **MOVED** (DeSousa) and **SECONDED** (Tripp) and **PASSED** (U) that the Board of Finance approves the transfer of \$13,500.00 to Collection and Disposal Account No.: 1-01-30-4204-5-547-0000-0 from Public Safety Workers' Compensation Account No.: 1-01-15-2195-2-202-0000-0, as presented, and recommend to a town meeting if necessary. (Also known as Transfer No. 58)

- **Collection and Disposal**

It was **MOVED** (DeSousa) and **SECONDED** (Tripp) and **PASSED** (U) that the Board of Finance approves the transfer of \$28,000.00 to Legal Fees Account No.: 1-01-10-1015-3-350-0000-0 from Public Safety Workers' Compensation Account No.: 1-01-15-2195-2-202-0000-0, as presented, and recommend to a town meeting if necessary. (Also known as Transfer No. 59)

VII. Matters referred from the Board of Selectmen

Chairman Jason Bowsza inquired if anything should be discussed at this meeting that was brought up at the Board of Selectmen's Meeting last night. It was indicated there was not.

VIII. Unfinished Business**a. 2011-2012 Budget Discussion**

Mr. Bowsza indicated that at the last meeting it was discussed to have the three Boards join a joint meeting to discuss the budget process and better communication with the community. This Board is committed to working with the Board of Selectmen and Board of Education.

b. 2011-2012 Board of Education Budget Discussion

Mr. Bowsza asked Ms. Cabral to explain to the Board the present situation with the 2011-2012 Board of Education Budget. Ms. Cabral indicated to the Board that copies of the emails from the Superintendent, the auditor, Mr. Robert Howard, Mr. Andrew Paquette, President of TMSoulition, Inc. (East Windsor Schools Business Consultant, and herself were given to the Board Members for their review. Ms. Cabral explained to the Board that the issue with the Board of Education. The issue revolves around funds from SFSF grants and how those funds are spent. The SFSF Grants were expended at the end of the year. Ms. Cabral indicated that when the audit was complete, the auditors stated SFSF Grant because the grand had already been expended and reimbursed those monies were not funded. Therefore, was not recorded as a general fund expenditure. The auditors last year discussed the revenues and grants and how those monies are spent. She explained the different types of revenues and grants, including the Excess Cost Grant. There is a question of how \$325,000 was spent. The Town records indicate that the \$325,000 was spent as part of the budget of \$19,512,263 as part of the fiscal year 2011-2012 Board of Education Budget; however, the Board of Education does not and has it as part of the SFSF Grant.

Ms. Cabral has given copies of Connecticut General Statutes which discusses Board of Education budgets. She indicated that the Board of Education is subject to the Town audit and the Board of Finance, according to State statutes is responsible for the Town audit and having the Board of Education records available. It is also the responsibility of the Board of Finance to make sure all expenditures and postings are in compliance. The recent discussions with the auditor regarding the true expenditures of the Board of Education health insurance prepayment affect the audit and it is the responsibility of the Board of Finance and the Treasurer to comply with the audit. She is requesting that the Board of Finance send a letter to the Board of Education regarding the expenditures because our auditors has stated it is not in compliance in fiscal year 2011-2012.

A lengthy discussion was held regarding the year end expenditures and if the Board of Education has overspent its budget and the statutory requirements of the Board of Education complying with the Town audit.

It was **MOVED** (Tripp) and **SECONDED** (Broder) and **PASSED** (U) that the Board of Finances authorizes Chairman Jason Bowsza and Secretary Joseph Pellegrini to write a letter in behalf of the Board of Finance to the Board of Education explaining the position of the Board of Finance and the Town Audit.

Mr. Pellegrini confirmed with all Board Members regarding the contents of the letter indicated that the Town Audit is one audit which includes all departments, including the Board of Education and it is the responsibility of the Board of Finance pursuant to Connecticut General Statutes and Town Charter to insure that all departments are in compliance with the auditors and general accounting practices.

Board Recessed at 9:02 p.m.

Board Reconvened at 9:12 p.m.

c. EW Housing Authority Payment

Ms. Cabral indicated that the Board of Selectmen have authorized her to send a letter to the Housing Authority to requesting payment in full to the Town of East Windsor due in July for 2011-2012. She has recently received half of the yearly payment although the letter she sent to the Housing Authority requested the full payment. The first payment is approximately \$13,000 and the other half of approximately \$13,000 is outstanding. As she indicated previously, the Board of Finance has requested full payment. Another letter will be sent to the Housing Authority requesting same. She will keep the Board apprised at the next meeting.

VIII. New Business

a. Special Revenue Fund Policy

Ms. Cabral indicated that this policy is being requested by the auditors. A copy of the policy was given to all Board Members for their review. She indicated it is due to the GASB 54. She indicated once this policy is approved by the Board of Finance it is forward to the Board of Selectmen for approval and then recommended to Town Meeting.

A brief discussion was held.

It was **MOVED** (Pellegrini) and **SECONDED** (Broder) and **PASSED** (U) that the Board of Finance recommends the Special Revenue Fund Policy dated June

30, 2012 and attached hereto and marked as Exhibit A to the Board of Selectmen.

b. Revised Fund Balance Policy

Ms. Cabral indicated that this policy is being requested by the auditors. A copy of the policy was given to all Board Members for their review. She indicated it is due to the GASB 54. She indicated once this policy is recommended by the Board of Finance it is forward to the Board of Selectmen for approval and then recommended to Town Meeting.

A brief discussion was held.

It was **MOVED** (Pellegrini) and **SECONDED** (Tripp) and **PASSED** (U) that the Board of Finance recommends the Revised Fund Balance Policy dated June 30, 2012 and attached hereto and marked as Exhibit B to the Board of Selectmen.

c. Board Representation at Contract Negotiations

It was indicated that Ms. Jerilyn Corso is the Board of Finance's representation at the Police Union Contract Negotiations. There are still three other contracts that are being negotiated. It was asked what the purpose of having a Board Member attend these meetings. Ms. Cabral indicated that the Board will be updated at Executive Sessions regarding the contracts. Mr. Bowsza commented next month the update will be on the agenda.

A brief discussion was held. It was the consensus that Board Representation is not required; however, if any Board Member has extra time or would like to represent the Board, it could be taken up with the Board for appointment at a future meeting.

d. Petty Cash Drawer for Tax Collector

Ms. Cabral indicated that the Tax Collector has sent an email to the Board, a copy of which is in their packets. She indicated that the tax collector petty cash drawer is in need of more money for making change, especially during the busy time of tax collection in July.

A brief discussion was held.

It was **MOVED** (Tripp) and **SECONDED** (Pellegrini) and **PASSED** (U) that the Board of Finance approves giving the Tax Collection an additional \$50.00 for the petty cash account.

It was **MOVED** (Tripp) and **SECONDED** (Pippin) and **PASSED** (U) that the Board of Finance adds an agenda items, Section XI. New Business e. Credit Card Policy.

e. Credit Card Policy

Ms. Cabral gave to all Board Members copies of the proposed Credit Card Policy. She indicated there are many departments within the Town that have requested a credit card to make purchases at big box stores and other retailers which do not accept purchase orders for such purchases. For example, Park and Recreation and the Senior Center make purchases out of pocket and wait for reimbursement from the Treasurer's Office. Ms. Cabral indicated the policy would be very strict. She discussed the policies terms which included a limit on purchases of \$200 and if a purchase is to exceed \$200, the expense would have to be approved by the First Selectman or Treasurer.

A lengthy discussion was held regarding issues of having the card under a person's name versus under the Town of East Windsor wherein it could affect the person's personal credit history, having unauthorized purchases and abuse of the credit card, how payments of the credit card would be charged to respective department lines, which departments would be authorized to use the credit card, and what penalties would be in place due to misuse.

After the discussion, it was the general consensus to postpone the recommending of the Credit Card Policy until changes could be made regarding the wording and have it brought before the board during the next meeting.

IX. Invoice Authorization

None.

X. Adjournment

It was **MOVED** (Tripp) and **SECONDED** (Broder) and **PASSED** (U) that the Board of Finance adjourns the July 18, 2012 Regular Meeting at 10:06 p.m.

Respectfully Submitted,

Denise M. Piotrowicz
Recording Secretary

EXHIBIT A**SPECIAL REVENUE FUNDS POLICY
As of June 30, 2012**

Special Revenue Funds are monies that can only be used for certain specific purposes and define by law or administrative action. Allocation of funds may have a series of covenants and guidelines that the recipients must follow. Most special revenue funds are either grants, endowments or subsidies from the state and federal governments designed for a variety of purposes from public safety to bond monies. Each special revenue fund has its own revenue and expenditure accounts which have fund balances that are either restricted or committed and are used first. Many of these special revenue accounts work on a reimbursement basis in conjunction with the Total Town budget and are grouped as a component part of the General Fund.

The Board of Finance has the ability to establish a special revenue fund within the established guidelines set forth by GASB (Government accounting Standards Board). Actions to commit fund balance must be done prior to the end of the fiscal year. The dollar amount may be determined at a later date (once audit is complete).

The major funds of Capital and Nonrecurring and Capital Projects when they qualify will have spending from the general fund which will be reimbursed on a regular basis. The special revenue funds of the Dog Fund, Road Maintenance Fund, Police Private Duty, Senior Activity, Bonds, BOE grants, BOE Cafeteria, BOE Day Care, Miscellaneous Grants, Donations and Contributions and Client Funds all flow through the general fund cash as expenditures and revenues and are all assigned for their individual specific purposes and therefore nonspendable portions of fund balance. The sewer operating and hook ups, sewer assessment, drug forfeiture, veterans and cemetery trusts, and client funds also will reimburse the general fund for expenditures on a regular basis and are assigned for their specific purposes. The small cities and pension fund are permanent funds.

Dog Fund Purpose To record and report all activity related to dog licensing, care and adoptions and revenues received for such.

Capital and Nonrecurring Fund Purpose-To account for financial revenues used for the financing of the planning, construction, reconstruction or acquisition of any specific capital improvement or the acquisition of specific equipment and capital additions. Revenues are received from the Capital Improvement in the General Fund.

Town Aid Road Purpose- To provide safe and well-maintained roadways and sidewalks. Revenue comes from the State of Connecticut Town Aid Roads Grant and any funds transferred from the General fund used for the purpose of maintaining roadways.

Sewer Assessment Purpose To record revenues from benefit assessments and facilities connection charges and report activity related to sewer connections.

WPCA Operating and Hook Ups to record and report activity related to sewer operations

EXHIBIT A CONTINUED**SPECIAL REVENUE FUNDS POLICY
As of June 30, 2012**

Special Revenue Funds are monies that can only be used for certain specific purposes and define by law or administrative action. Allocation of funds may have a series of covenants and guidelines that the recipients must follow. Most special revenue funds are either grants, endowments or subsidies from the state and federal governments designed for a variety of purposes from public safety to bond monies. Each special revenue fund has its own revenue and expenditure accounts which have fund balances that are either restricted or committed and are used first. Many of these special revenue accounts work on a reimbursement basis in conjunction with the Total Town budget and are grouped as a component part of the General Fund.

The Board of Finance has the ability to establish a special revenue fund within the established guidelines set forth by GASB (Government accounting Standards Board). Actions to commit fund balance must be done prior to the end of the fiscal year. The dollar amount may be determined at a later date (once audit is complete).

The major funds of Capital and Nonrecurring and Capital Projects when they qualify will have spending from the general fund which will be reimbursed on a regular basis. The special revenue funds of the Dog Fund, Road Maintenance Fund, Police Private Duty, Senior Activity, Bonds, BOE grants, BOE Cafeteria, BOE Day Care, Miscellaneous Grants, Donations and Contributions and Client Funds all flow through the general fund cash as expenditures and revenues and are all assigned for their individual specific purposes and therefore nonspendable portions of fund balance. The sewer operating and hook ups, sewer assessment, drug forfeiture, veterans and cemetery trusts, and client funds also will reimburse the general fund for expenditures on a regular basis and are assigned for their specific purposes. The small cities and pension fund are permanent funds.

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Town Aid Road Purpose- To provide safe and well-maintained roadways and sidewalks. Revenue comes from the State of Connecticut Town Aid Roads Grant and any funds transferred from the General fund used for the purpose of maintaining roadways.

Sewer Assessment Purpose To record revenues from benefit assessments and facilities connection charges and report activity related to sewer connections.

WPCA Operating and Hook Ups to record and report activity related to sewer operations

EXHIBIT B**Fund Balance Policy Revised 6/30/2012**

The level of fund balance percentage the Town strives to maintain will be an adequate amount of unreserved funds as set forth in this policy. Any year end operating unassigned surplus will revert to unrestricted fund balance for use in maintaining reserve levels.

The general fund balance target at the end of the year should be in a range of five percent (5 %) to seventeen percent (17 %) in good economic times. Amounts in excess of the good economic times percentage will be assigned by the recommendation of the Board of Finance, forwarded to the Board of Selectman and to Town Meeting in accordance with the Town Charter. This includes nonspendable, restricted with unrestricted to be further defined as committed, assigned and unassigned funds, defined below and to be utilized in the same order.

Nonspendable fund balance – Amounts that are not in spendable form (such as inventory) or are required legally or contractually to be maintained intact (such as the corpus of an endowment fund).

Restricted fund balance – Constraints on the use of resources for specific purposes by their providers (such as grantors, bondholders, contributors and higher levels of government) through constitutional provisions or by enabling legislation.

Committed fund balance – Amounts constrained to specific purposes by formal action of the Board of Finance, the highest level of decision making authority of the Town, as required by Charter; to be reported as committed, amounts cannot be used for any other purpose unless the Town takes the same highest-level action to remove or change the amount. Should any portion of the fund balance be allocated to a subsequent fiscal year that amount shall be deemed **committed** fund balance. Funds must be committed prior to the end of the fiscal year. The exact dollar amount can be determined as of a later date (upon completion of the audit).

Assigned fund balance – Amounts the Town intends to use for a specific purpose but are not restricted or committed; intent can be expressed by the governing body or by an official or body to which designates authority to assign amounts by Town Charter..

Unassigned fund balance – Amounts that are available for any purpose; these amounts are reported in the General Fund or amounts necessary in other governmental funds to eliminate otherwise negative fund balance amounts in the other four categories. The general fund balance target at the end of the year should be in a range of five percent (5 %) to seventeen percent (17 %) in good economic times.. Arrangements of a gradual increase of one percent (1%) per year are required to restore the general fund unrestricted balance should it fall below the minimum level for any unforeseen circumstance. Unrestricted fund balance at the higher level is approximately equal to the amount two months operating expenditures/revenues from the general fund as recommended by the GFOA (Government Finance Officers Association).

The maintenance of unrestricted fund balance is an element of sound fiscal management required for sustaining a good credit rating and financial management flexibility.